

**FIRST AMENDED AND RESTATED**  
**ARTICLES OF INCORPORATION**  
**OF**  
**RTO WEST**

The undersigned Directors of RTO West, acting under the Washington Nonprofit Corporation Act (Revised Code of Washington 24.03) hereby adopt and execute the following First Amended and Restated Articles of Incorporation.

ARTICLE I.

NAME

The name of this corporation is RTO West.

ARTICLE II.

DURATION

The period of duration of this corporation will be perpetual.

ARTICLE III.

PURPOSES

1. Statement of Purposes. The purposes for which this corporation, a nonprofit organization, is formed are:

(a) to serve as an RTO for the RTO West Geographic Area (as each of the foregoing terms is defined below in Section 2 of this Article I) in accordance with and as permitted by the applicable requirements of the Federal Energy Regulatory Commission ("FERC"), including but not limited to the applicable required RTO characteristics and functions; provided, however, that the corporation will not (i) own any transmission or distribution facilities, (ii) own any interest in generation facilities or the output thereof, or (iii) operate, or have any financial interest in, a power exchange; and

(b) to engage in any other lawful business or activity that may be authorized by the corporation's Board of Trustees.

2. Definitions. As used in these First Amended and Restated Articles of Incorporation, the capitalized terms "RTO" and "RTO West Geographic Area" have the meanings set forth below:

(a) "RTO" means any entity that has been determined by FERC to satisfy FERC's requirements for regional transmission organizations established pursuant to FERC Order 2000 and all supplements and amendments thereto issued by FERC.

(b) "RTO West Geographic Area" means the geographic area defined by the outer boundaries of the control area operated (or proposed by the corporation to be operated) by the corporation (including any islanded areas within such region that are not within the control area operated by the corporation), together with any areas within Canada that are defined to be part of the RTO West Geographic Area in an agreement between the corporation and the operator of any control area in Canada.

#### ARTICLE IV.

##### REGISTERED OFFICE/AGENT

The address of the registered office of this corporation is 520 Pike Street, Suite 2610, Seattle, Washington, 98101, and the name of the registered agent at this address is C T Corporation Systems.

#### ARTICLE V.

##### BOARD OF TRUSTEES

1. Authority and Number of Directors and Trustees. The management of this corporation will be vested initially in an Interim Board for the limited purpose of carrying out its duty pursuant to Section 3 of this Article V, and thereafter in its Board of Trustees to carry out the full purposes of the corporation as set forth in Article III. The number of Directors and Trustees will be as stated in the corporation's bylaws; provided, however, that the number of directors may not be less than three.

2. Interim Board. The directors holding office at the time these First Amended and Restated Articles of Incorporation are filed are the individuals listed below. These directors are designated as the "Interim Board" and will continue in office only until a full Board of Directors as contemplated by the corporation's bylaws is first elected in accordance with the bylaws. The

Interim Board will have only the duties and authority specified below in Section 3 of this Article V. The names and addresses of the members of the Interim Board are:

<u>Name</u>	<u>Address</u>
Frank F. Afranji	Portland General Electric Company 121 SW Salmon Street Portland, OR 97204
Randall O. Cloward	Avista Corp. 1411 East Mission Spokane, WA 99202
James M. Collingwood	Idaho Power Company 1221 West Idaho PO Box 70 Boise, ID 83707
Carolyn J. Cowan	Sierra Pacific/Nevada Power 6100 Neil Road PO Box 10100 Reno, NV 89520
Don Furman	PacifiCorp 700 NE Multnomah Suite 550 - POP Portland, OR 97232
Kimberly J. Harris	Puget Sound Energy, Inc. 411 108 <sup>th</sup> Avenue NE OBC-15 Bellevue, WA 98004
William A. Pascoe	The Montana Power Company 40 East Broadway Butte, MT 59701

3. Duties and Authority of Interim Board. The Interim Board will have the duty and authority to adopt amended bylaws of the corporation within 30 days following the filing date of these First Amended and Restated Articles of Incorporation. The amended bylaws will be in substantially the form submitted to and approved by FERC in filing documents related to the proposal to form an RTO in the RTO West Geographic Region pursuant to FERC Order 2000 and supplements and amendments thereto issued by FERC. Thereafter, the Interim Board will

have only the duties and authority conferred upon the initial Board of Directors to serve under the amended bylaws.

## ARTICLE VI.

### DISSOLUTION

1. Action to Dissolve. The Board of Trustees may dissolve the corporation at any time by a vote of not less than 75% of all directors in office at the time the vote to dissolve is taken.

2. Survival of Rights, Obligations, and Liabilities. All rights, obligations, and liabilities of the corporation will remain following dissolution until satisfied.

3. Distribution of Assets Upon Dissolution. Upon any dissolution of this corporation under provisions of the laws of the state of Washington for nonprofit corporations, all of its assets remaining after making adequate provision for the satisfaction of all obligations and the payments of all liabilities will be distributed as directed by the Board of Directors, consistent with: (a) any requirements or limitations provided by applicable law or tax regulations; and (b) the limitations set forth in Article XI below. In no event may any of the corporation's assets be distributed to the officers, directors, or members of the corporation.

## ARTICLE VII.

### AMENDMENTS OF ARTICLES OF INCORPORATION

The Board of Trustees may amend, alter, or repeal any provision contained in these Articles of Incorporation by a vote not less than 75% of all Trustees in office at the time the action to amend, alter, or repeal any provision of these Articles of Incorporation is taken, provided, however, that the Board of Trustees shall not amend, alter, or repeal any provision contained in the Articles of Incorporation so as to permit amendment of the bylaws except as is specifically provided therein.

## ARTICLE VIII.

### AMENDMENTS OF CORPORATION'S BYLAWS

The bylaws may not be amended except as specifically provided therein.

ARTICLE IX.

MEMBERS

This corporation will have members, whose rights, responsibilities, classifications, and eligibility will be as defined in the corporation's bylaws.

ARTICLE X.

POWERS

This corporation will have the power to do all lawful acts or things necessary, appropriate, or desirable to carry out its purposes described in Article III, consistent with the Washington Nonprofit Corporation Act.

ARTICLE XI.

LIMITATIONS

This corporation will have no capital stock and no part of the net earnings of this corporation will inure in whole or in part to the benefit of, or be distributable to, any officer, director, member of the corporation, or other individual having a personal or private interest in the activities of the corporation, except that the corporation is authorized and empowered to pay reasonable compensation for services rendered, to make reimbursement for reasonable expenses incurred in its behalf, to repay loans with interest, and to make payments and distributions in furtherance of the purposes stated in Article III.

***[NOTE: This Article may be supplemented or revised to reflect suggested provisions to facilitate obtaining tax-exempt status under Internal Revenue Code § 501(c)(3)]***

ARTICLE XII.

DIRECTOR AND TRUSTEE LIABILITY; INDEMNIFICATION OF INTERIM, DIRECTORS, TRUSTEES, OFFICERS, EMPLOYEES, AND AGENTS; INSURANCE

1. Interim Directors and Trustees Liability. Interim Directors and members of the Board of Trustees of the corporation will be liable to the corporation only for the following: (a) acts or omissions that involve intentional misconduct by the director; (b) knowing violation of law by the director; (c) conduct violating RCW 23B.08.310; and (c) any transaction from which the director personally receives a benefit in money, property, or services to which the director is not legally entitled.

2. Mandatory Indemnification of Interim Directors, Trustees and Officers. To the fullest extent not prohibited by law, the corporation will indemnify any director made a party to a proceeding because he or she is or was a director of the corporation against any liability incurred in connection with that proceeding; provided, however, that nothing in these Articles of Incorporation will obligate or permit the corporation to indemnify any director in connection with a proceeding by or in the right of the corporation in which the director is adjudged personally liable to the corporation or in connection with any other proceeding charging improper personal benefit to the director in which the director is adjudged liable on the basis of having improperly derived a personal benefit. Members of the Board of Trustees and Officers of the corporation shall be indemnified as provided in the bylaws

3. Advancement of Expenses to Directors. To the fullest extent not prohibited by law, the corporation will pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding described in Section 2 of this Article XII in advance of the final disposition of the proceeding.

4. Corporation's Power To Indemnify Employees and Agents. To the fullest extent not prohibited by law, the corporation may, at the discretion of the corporation's Board of Trustees, indemnify any employee or agent made a party to a proceeding because the person is or was an officer, employee, or agent of the corporation against any liability incurred in connection with that proceeding; provided, however, that nothing in these Articles of Incorporation will obligate or permit the corporation to indemnify any employee or agent in connection with a proceeding by or in the right of the corporation in which the employee or agent is adjudged personally liable to the corporation or in connection with any other proceeding charging improper personal benefit to the employee or agent in which the employee or agent is adjudged liable on the basis of having improperly derived a personal benefit.

5. Definitions of Certain Terms. As used in this Article XII, the terms "corporation," "director," "expenses," "liability," "party," and "proceeding" have the meanings given to them in RCW 23B.08.500 as in effect on the date these Articles of Incorporation are filed.

6. Directors' and Officers' Insurance. The corporation, acting through its officers, Interim Board of Directors, and Board of Trustees, may purchase and maintain insurance on behalf of an individual to cover liability asserted against or incurred by the individual who is or was a director, Trustee, officer, employee, or agent of the corporation, or who, while a director, Trustee officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, Trustee, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise.

DATED: \_\_\_\_\_

*[signatures of Board of Directors to  
follow here]*